

REMARKS

The present Amendment is in response to the Office Action dated October 28, 2005 in reference to the above-identified application. The Examiner set a shortened statutory period for reply of three (3) months, making the present Amendment due by January 28, 2006. Filed concurrently herewith is a request for a one month extension of time so that the present Amendment is due by February 28, 2006.

In that Office Action, claims 1-42 were pending. Of these, claims 1-9 and 22-42 were withdrawn from consideration. Of the remaining claims, claims 10-15 and 19-21 were rejected over U.S. Patent No. 5,921,449 to Saegusa et al. in view of U.S. Patent No. 5,916,399 to Olsen under 35 U.S.C. §103(a). Claims 17 and 18 were rejected under 35 U.S.C. §112, second paragraph, in that those claims mentioned trademarks and/or trade names. However, claims 17 and 18 were not rejected over any art of record. Applicant notes with appreciation the Examiner's indication that claim 16 contain allowable subject matter.

At the outset, Applicant notes that allowable claim 16 has been rewritten in independent form as new claim 43. It is believed that Applicant has incorporated all of the relevant recitations of independent claim 10 and dependent claim 16, in this regard. Claims 17 and 18 have been amended to delete the trademarks and/or trade names.

Turning to independent claim 10, Applicant has amended this claim to add subparagraph (c) to recite a processing step of "removing said substrate thereby to remove portions of said first pigmented layer". Applicant has reviewed the patent to Saegusa et al. and agrees with the Examiner that this

reference shows the formation of a spare tire cover that includes a cylindrical panel extending around the tread surface of the tire and a face panel with a display surface connected to the cylindrical panel. The issue, therefore, is whether the Olsen patent teaches a transfer sheet to apply a design to the display surface. Accordingly, it is perhaps helpful to review the teachings of the Olsen reference.

Applicant agrees that Olsen discloses a transfer sheet of retroreflective material. However, the transfer sheet is somewhat different than the sheet used in the present method. With reference to Figures 1 and 2 of the Olsen reference, it may be seen that Olsen employs a substrate 16 onto which a heat softenable layer 18 is formed. Glass beads 12 are then placed on this combined sheet and a heat process secures the glass beads in place. A color layer 22 is then applied over the beaded surface of the heat treated layer as a reverse image. After application of the color layer 22, another layer in the form of reflective layer 26 is applied. It is noted that the color layer at 22 and the reflective layer 26 can be continuous or discontinuous and can overlap in certain locations and not in other locations. Next, a thick bonding layer 28 of an adhesive material is applied.

In use, as is shown in Figure 2 of the Olsen reference, the bonding layer 28 is placed on a surface to receive the design. Heat is applied to bonding layer 28 so that it softens and penetrates the surface of the substrate to which the image is to be applied. After cooling, the carrier 14, composed of substrate 16 and softenable layer 18 is peeled away to leave the ensemble of bonding layer 28, colored layer 26 and reflective layer 28 on the surface to which the design image is to be applied. However, this process does not

remove portions of the colored layer 26 as is the case in the present invention.

As discussed in the specification of the present application and as is shown in Figures 7-9, the transfer sheet of the present application includes a first pigmented layer 18 that includes the glass beads to make it retroreflective. Layer 18 would appear to correspond to the beads 12 and colored layer 22 of the Olsen reference, and second pigmented layer 20 would appear to correspond to layer 26 of Olsen. Removal of the substrate 32, 34 acts to remove portions of the reflective material portion 18' of the first pigments layer. However, portions that are adjacent to adhesive 37 will remain disposed on the substrate layer 32 that is peeled away. (See Figure 9 and discussion at the paragraph bridging pages 13 and 14 of the present application). Thus, the method of the present invention is different from the combination of Olsen and Saegusa et al.

As noted, Applicant has amended independent claim 10 to include the step specifically regarding the portions of the first pigmented layer are removed by removal of the substrate. With this change, it is believed that claim 10 should be fully allowable along with claims dependent thereon.

Due to this Amendment, a new filing fee calculation is provided, as follows:

Maximum Total Claims This Amendment	Total Claims Previously Paid For
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43	-	42	= 1 x \$ 25.00 = \$25.00
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Total Independent
Claims Per
This Amendment

Maximum Independent
Claims Previously
Paid For

6

5

= 1 x \$100.00 = \$100.00

Additional Filing Fee Due \$125.00

Accordingly, our check no. 19079 in the amount of \$125.00 is enclosed. The Commissioner is hereby authorized to charge any deficiency in the payment of the required fee(s) or credit any overpayment to Deposit Account No. 13-1940.

Based on the foregoing, Applicant submits that the present application is in complete condition for allowance, and action to that end is courteously solicited. If any issues remain to be resolved prior to the granting of this application, the Examiner is requested to contact the undersigned attorney for the Applicant at the telephone number listed below.

Respectfully submitted,

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